

Artículo de investigación

Organizational convergence as the trend of modern mass media development

Convergencia organizacional como la tendencia del desarrollo moderno de medios de comunicación masivos

Convergência organizacional como a tendência do desenvolvimento moderno de mídia de mass

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Abstract

Convergence is a key problem of modern mass media development. It mediates changes in content policy, media products distribution, and economic activity of media. Organizational convergence is one of the types of this phenomenon. It acts to make structural changes both in the media market and within a certain media. The purpose of such changes is to expand the influence of the media on the media market, to reduce the cost of its maintenance and development, and to expand social audience by transmedia distributing of the content. The article is devoted to the problems of understanding the phenomenon of organizational convergence as one of the types of convergence in the modern media environment. It also studies the main ways of building new forms of media organization.

Keyword: convergence, organizational convergence, structural convergence, types of convergence, fusion of mass media, mass media, journalism, media economics, media holding, media corporation.

Resumen

La convergencia es un problema clave del desarrollo moderno de los medios de comunicación. Medita los cambios en la política de contenido, la distribución de productos de medios y la actividad económica de los medios. La convergencia organizacional es uno de los tipos de este fenómeno. Actúa para realizar cambios estructurales tanto en el mercado de medios como dentro de ciertos medios. El objetivo de tales cambios es ampliar la influencia de los medios en el mercado de los medios, reducir el costo de su mantenimiento y desarrollo, y expandir la audiencia social mediante la distribución transmedia del contenido. El artículo está dedicado a los problemas de comprensión del fenómeno de la convergencia organizacional como uno de los tipos de convergencia en el entorno de los medios modernos. También estudia las principales maneras de construir nuevas formas de organización de los medios.

Palabra clave: convergencia, convergencia organizacional, convergencia estructural, tipos de convergencia, fusión de medios de comunicación, medios de comunicación,

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periodismo, economía de medios, participación de medios, corporación de medios.

Resumo

A convergência é um problema fundamental no desenvolvimento moderno da mídia. Considere as mudanças na política de conteúdo, a distribuição de produtos de mídia e a atividade econômica da mídia. A convergência organizacional é um dos tipos desse fenômeno. Atua para fazer mudanças estruturais tanto no mercado de mídia quanto em certas mídias. O objetivo de tais mudanças é expandir a influência da mídia no mercado de mídia, reduzir o custo de manutenção e desenvolvimento e expandir o público social através da distribuição transmídia de conteúdo. O artigo é dedicado aos problemas de entender o fenômeno da convergência organizacional como um dos tipos de convergência no ambiente da mídia moderna. Também estuda as principais formas de construir novas formas de organização de mídia.

Palavras-chave: convergência, convergência organizacional, convergência estrutural, tipos de convergência, fusão de mídia, mídia, jornalismo, economia de mídia, holding de mídia, corporação midiática.

Introduction

The functional of modern media provides information, social relations, the development of social processes and their management. In its turn, media content is largely predetermined by their structural features. The subject of analysis in the work is the structural convergence of the media, which means the process of adaptation, mutual influence, assimilation and the reduction of structural and functional differentiation between typologically diverse objects, leading to their changes. In this aspect, it was considered in physics, chemistry, biology, economics, political science, sociology, culturology, linguistics, etc. under different names. The convergence of media is in the sphere of close attention among foreign and Russian researchers. However, in general, the convergence of media is considered in a fragmented way: its essential features, mechanisms, structural-content and social effects are not fully described, which is the reason for the urgency of the stated problem.

The comprehension of convergence in the social sphere, which began in the 1940-ies by V. Oiken, was reflected by the 1950-ies in the concept of the convergent nature of human development in the works by W. Rostow, P. Sorokin, R. Aaron, J. Galbraith, J. Tinbergen, P. Teilhard de Chardin, D. Shelsky and O. Flechtheim. The origins of social and political convergence idea are seen in the works by D. Bell stimulating subsequent concepts of the information society with its priority of knowledge and information industry (Bell, 1986).

The processes of capital fusion from typologically different media enterprises (newspapers, radio and television channels, book business, sound record industry, etc.) led to the application of this term for the media also by the end of the 19700-ies. N. Negroponte was among the first ones who drew attention to the problem of convergence in the sphere of communication, presenting it in the form of three overlapping circles, designated as "radio and television production", "computer production" and "printing production and publishing" (Negroponte, 1995). H. Jenkins described the convergence of media as "a convergent culture in which old and new media collide ... niche and corporate media are intersected ... the power of the media producer and the power of their consumers interact in the most unpredictable manner" (Erdal, 2007). The term was further developed in the discussions about the deregulation of the telecommunications market in the US and the broadcast market in Western Europe during the 1980-ies. But only in the 1990-ies "a rapid introduction of the Internet into everyday life ... gave the discussion of convergence a broad practical meaning" (Vartanova, 1999).

Today this term is used to characterize various unifying processes and is understood as systemic main changes in a structure, functioning and other spheres of mass media activity. The transformation of information and communication space and the ways of information transfer is manifested in the merger of "telephone, computer, facsimile, cable television and video disc technologies and will lead to an ever deeper reorganization of communication ways between people ... to new ways of leisure, to the reorganization of

education on the basis of computer training and a wide distribution of video discs" for entertainment and home education (Bell, 1986).

According to M. Castells, it is digitization that eliminates the unidirectionality of communication, ensures the interaction of the "transmitting and the receiving parties during a message interpretation", and "changes its character fundamentally", leading to a seeming acceleration of time, the compression of the distance between the past and the present (Kastels, 2000).

Convergence should be differentiated from integration, understood as "the process of convergence of various phenomena and objects, not aimed at their structure changing" but rather on the improvement and the development of "objects influencing each other with equal or relative benefits for those involved in this process" (Karpenko, 2017). An important property of integration is also the possibility of its reverse movement without the changing of unified object basic features - disintegration. Convergence in interdisciplinary discourse is defined as the interpenetration of various objects with a further change in their structures, resulting in the phenomenon that has both the properties of the original objects and a new quality. It is difficult to get the original objects without their further transformation during the reverse process - divergence. So, the media in a holding or a corporation change the structure depending on the type of convergence: they abolish redundant departments, optimize the staff structure, etc. In this case, the exclusion of any media from a holding structure will not lead to an immediate restoration of its original form.

Convergence occurs at technological, organizational and media levels (Negroponte, N., 1995). In particular, organizational convergence is one of the trends in the development of modern media along with the change in the forms of information dissemination, the combination of "various multimedia functions within the boundaries of one device", the optimization of media and audience interaction, the development of social networks and the integration with the traditional means of mass information (Kazak et al, 2017; Makshanova, 2015).

Materials And Methods

The understanding of organizational convergence is impossible without a multidimensional research approach. The main source of empirical data is the observation and the analysis of the activities of the companies operating in the modern media market. The use of the descriptive method gives a holistic view of a study subject and makes it possible to establish a connection with other phenomena within such a large-scale phenomenon as media convergence. The application of the method of typologization made it possible to identify common and different features of individual media companies, and to analyze their activities in conjunction with the historical approach and to justify the ways of large holding company and corporation creation.

Nowadays, media convergence has become the object of many scientific studies, however, it should be noted that there is no complete and consistent representation of this phenomenon in modern scientific discourse, which determines the relevance of this study.

Results

Organizational convergence is aimed at "market influence boundary" expansion and consists of "merging both within one sector of the economy and in various market segments", in the uniting of a media sector with telecommunication sectors, and in the possibility of "home appliance or information technology production". The examples are the merger of two largest media corporations - the Canadian holding company "Thomson Corp." and the British news agency "Reuters" (2008); the merger of the Internet provider "America Online" (AOL) with the media corporation "TimeWarner" (Karpenko, 2013). The latter remains not only the largest one in history (186 billion dollars), but it is also positioned as the alliance between the "old" and "new" "corporate America" (old and new branches of the American economy) (Kinyakin, 2006). At the end of 2017, it became known that the transnational conglomerate "The Walt Disney Company" would buy out most of the assets from the media magnate Rupert Murdoch at "21st Century Fox" (including the television network "Fox Broadcasting", "Fox News", "Fox Business Network", etc.).

Such mergers take place between electronic organizations, Internet telecommunication providers with the companies producing information products and producing newspapers, radio and television programs. The main thing is the ability to access the content. Thus, a market is formed where multimedia services, network services, software development, organizations for the collection, processing and dissemination of information interact.

According to the classification by A. G. Kachkayeva, the organizational convergence of the media can act in more diversified forms: a) the convergence as a business strategy of a media holding associated with a "property factor" aimed at "cost optimization and the employment of people, the increase of efficiency through the exchange of content (content sharing) within an editorial board and various media platforms" ; b) the convergence as a tactic, close to business partnership, for example, "television and publishing houses, the headings on radio and in specialized newspapers. An interspecific convergence helps to exchange tools and carry out the cross-promotion of mass media that are not united either in a holding company or by a common owner".

Organizational convergence as the most complex type of convergence is based on macroeconomic factors, including "the regional integration of national economies (e.g. the European Union); the emergence of a world free from ideologies, which forces states to act more pragmatically; technology development; the development of a global economy that is stimulated by global competition" (Vartanova, 1999).

The most significant changes in the media economy occur under the influence of global macroeconomic factors, the main one of which is the development of new information and communication technologies. Researchers put forward the thesis "about almost complete restructuring of the media economy" , emphasizing that "there will be the production of household appliances and technological devices, various information products instead of traditional industries - newspaper, broadcast, cable one" (Misonzhnikov, 2012). At the present time, the process of media concentration is being transformed most of all, conditioned by organizational convergence. The creation of concerns, media holdings and other conglomerates, dictated by market logic, has become the main trend of media industry development. Information giants, who concentrate the printed press and broadcasting channels in their hands, are the main players in the global media market.

However, not all spheres of media company, corporation and association activity have turned out to be equally profitable, and now there is a bi-directional trend in the global media market: on the one hand, global diversification of the media market and trans-media merger take place (Gannett, Tribune, Belo , "Cox", "Disney", "News Corporation", etc.), on the other hand, the rejection of transmedia diversification in favor of position strengthening within one segment of the media market ("Bertelsmann", "Westinghouse Broadcasting Company", etc.). The refusal to diversify is conditioned by high financial risks. Nevertheless, market diversification is justified as the strategy of organizational convergence for large multinational companies that are able to withstand these risks, although the desire for global leadership at all levels of the media market can lead to information expansion of the dominant media business players.

In the modern Russian media market, media holdings that appeared as the result of organizational convergence are divided into:

- nationwide commercial media holdings financed by individual large companies (financial and production groups - FPGs), such as the holding company "ProfMedia", "Intergos" FPG by V. Potanin; "National Media Group" and others;

- Currently, there is only one state-owned Russian media holding - the All-Russian State Television and Radio Company (VGTRK), which includes two federal TV channels ("Russia 1", "Russia K"), Russia's first 24-hour information channel (Russia 24), an international channel in Russian ("RTR-Planeta"), the Russian version of "Euronews" television channel, five national radio stations ("Radio Rossii", "Mayak", "Radio Kultura", "Vesti FM", "Yunost"), more than eighty regional TV and radio companies, state internet channel "Russia", which unites dozens of online resources, as well as cable and cable-TV channels - "Russian Romance", "Russian bestseller" and "Russia HD";

- independent, commercial media holdings - the media enterprises created not as a result of a one-time investment of large capital by a management company, but in the course of the progressive development of the information business itself - "Argumenty i Fakty", "Arnold Prize Group", "Rodionov ID", "Komsomolets", "Rambler-Media", "Ren-TV", "RosBusinessConsulting", "Russian Media Group", "Extra Media" and others;

- the media holdings with foreign capital: "Burda" (German "Hubert Burda Media"), "Hearst Shkulev Media" (the parent company "Hearst Corporation"), "Independent Media" (the parent company "Hearst Shkulev Media", which, in its turn, is owned by an American conglomerate founded by William Hearst, "Logos Media" (Germany "Bauer Media Group"), "Pronto-Moscow" (the Netherlands "Trader Media East", which in turn is controlled by the Turkish publishing house "Hurriyet") and others.

Prior to 2011, this group also included the "European Media Group", as the holding was owned by the French "Lagarderer", whose business was purchased by the "Siberian Business Union". Initially, the company "STS-Media" belonged to the number of media holdings with the participation of foreign capital, which until 2007 was owned by the American "StoryFirst Communications", and then by "Soho Media" and "Costafilm". Today, after a large number of mergers and acquisitions, the main owner of the company is the holding "UTV" - 75% of the shares (25% of shares belong to "VTB Bank" and the Russian businessman Yu. Kovalchuk).

By the nature of financing, regional media holdings are divided into municipal media holdings with a full or a partial financing from the budget and independent commercial media holdings.

Organizational convergence in the field of holding media companies can have both a horizontal and a vertical direction.

1. At a horizontal convergence, media holdings can be created, for example, by successively joining or gaining control over companies united by one type of media business (print media, radio broadcasting, television, etc.). The main goal of such holdings is to expand the influence within one sector of the media market. An example can be such holdings as "publishing house" or "radioholding", that is, the companies that include the same type of media. In the Belgorod region, an example of such "horizontal" media-holding can be the "Belgorod Media Group", which consists of eight radio stations - "Sport FM", "Komsomolskaya Pravda Belgorod", "Radio 7", "Europe plus", "Energy", "Comedy Radio", "Retro FM", "Avtoradio". The "horizontal" media holding is also the municipal holding ANO "Publishing house Mir Belogorya", which currently consists of five regional media: the sports newspaper "Smena", the socio-political newspaper "Belgorodskie Izvestia", the youth magazine "OnOnas", children's magazine "Large break", the portal of the publishing house "BelPressa", the social and political newspaper "Belgorodskaya pravda". Along with these publications, the ANO "Publishing house Mir Belogorya" also produces an outsourcing project - the magazine of the Belgorod Public Chamber "Belgorod Solidarity Society". The organizational structure of the ANO "Publishing house Mir Belogorya" also includes the newspaper "The Clear Key" of the Korochansky district, which ceased to exist as an independent legal entity since January 1, 2018.

The main goal of such associations is to reduce the overall costs, to increase the value of a company and its competitiveness. However, this can lead to the monopolization of a particular market sector in a specific region and, as a consequence, to the stagnation of these media and their "economic aggression": the absence of competitors does not stimulate the media to a continual development, and at the same time allows a company to set inflated prices for its services.

2. With the "vertical" convergence of media companies from non-contiguous market segments of various types - print media, radio stations and TV companies - for example, a printed publication, a printing house and an advertising agency can unite. The main goal of such an association is also to reduce costs, to increase the value of a company and its competitiveness. But such a strategy does not presuppose "economic aggression", since, primarily aimed at expansion not in one sector but in the adjacent areas of the media market, it does not give a significant influence in its particular segment. In Russia, virtually all leading holdings and corporations operate on the principle of vertical convergence, for example, "SUP Media", which occupies the segment of the Internet media and adjacent social media and advertising business. "SUP Media" includes informational socio-political publication Gazeta.ru; one of the world oldest blogging platforms LiveJournal.com; the social network of sports fans fanat.ru; the largest sports online resource

championat.com; online service for the selection of new cars Quto.ru; the site about travels redigo.ru, which became the part of the project "Rambler. Travels" in March 2016; the site for parents Letidor.ru and advertising agency + SOL, specializing on the work with social media.

The convergent media of the "vertical" type that unites the companies from various market segments includes the Belgorod independent commercial media holding "Prestige-Media" aimed at the whole complex of information and printing product development ... helping to navigate the complex world of modern economy and business", and, according to the media holding, its main strategic goal is "a comprehensive and high-quality service in the field of printing and advertising, providing a wide range of advertising services in the print media market of Belgorod region, and the printing of any complexity". Its structure includes the magazine "Trade and Production of the Belgorod Region"; the automobile directory "Autopolis"; the regional edition of the newspaper "Stroyka"; the directories "Industrial enterprises" and "Builder"; the reference service about goods and services; the printing house "BelPolilnform"; "The shop of the printer", which sells consumables for office and printing equipment. The main feature of such holdings and the guarantee of their "working capacity" and profitability is the existence of "common grounds" between all the merged structures, as, for example, in the media holding "Prestige Media".

One can single out a number of schemes to create media holdings and media corporations, including local, national and transnational corporations.

1. Media holdings can be created by the consistent creation of new media and subsidiaries within an existing organization. But there are few such examples in the media environment, which is conditioned, first of all, by a high cost of a company creation from scratch. However, "Prestige Media" can serve as an example, which, consistently developing, discovered new areas of media business.
2. In practice, there are the examples of not only individual media mergers, but also the merger of media holdings in alliances. Thus, in 2016, "VGTRK", "First Channel", "Gazprom Media" and "National Media Group" announced the alliance to sell television advertising in order to create a single trading platform that will take into account the interests of the television industry and will help to balance the interests of advertisers and broadcasters during crisis period. The new company plans to control up to 90% of advertising on Russian television. Four main partners of the partnership receive equal shares in the established company - 25% each, but in the future it is planned to discuss with "CTC Media" the possibility of joining the alliance after its restructuring. The group includes "STS", "Domashny" and "Che" TV channels. The creation of such alliances, however, resembles a total monopoly to control the turnover of the most expensive advertising - television commercials. However, the leaders of the alliance, foreseeing such remarks, argue that such an association "will promote a unified price policy not in terms of collusion, but in terms of a rational pricing policy depending on rating. This will facilitate much more and clear accounting of all produced advertisements, there will be no unaccounted advertising ... this way of selling is very beneficial for an advertiser, because ... it provides much greater transparency. Besides, this is the world practice exactly, at least in Europe, and in other countries this is done through a single sales house" (Parfenova, 2016).
3. A significant number of holding media companies was formed by the opposite way - the "division" of large companies during their restructuring, which was typical for many Russian enterprises in the early 1990-ies during the transition to self-sufficiency. Transformation led to the creation of a large number of subsidiaries (former productions) with 100% participation of a "parent" company.

Along with the abovementioned schemes of organizational convergence with a view to mutually beneficial cooperation, there are also other ways of a holding company and a media corporation creation, in particular, through the establishment of new companies on the basis of existing ones; through the purchase of bankrupt companies, also as the result of the so-called "aggressive bankruptcy," that is, gaining control over companies through pressure and "economic blockade" procedures; through the absorption of weakened media; through the creation of a special management company, where the founders transfer shares of the enterprises that are planned to be included in the holding.

Conclusion

Thus, media convergence is a complex and multi-vector process that affects all aspects of the media existence in society. Today we can state that convergent processes take place at all stages and in all spheres of media company activity: technological, technical, strategic, tactical, genre, etc. Convergent processes extend to the principles of cross-media distribution of media products, to the form and the package of journalistic material, affect the professional requirements for modern multimedia journalists. However, it should be noted that organizational convergence has a special exceptional status, because it has both economic, market and social effects on the activity of the entire media structure, therefore, we believe that it should be the subject of special observation and reflection.

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